

USAID/PERU PRO-INTEGRITY

FIRST QUARTERLY REPORT

QUARTERLY REPORT: FEBRUARY 15 TO MARCH 31, 2013

April 26, 2013

This publication was developed and reviewed for the United States Agency for International Development (USAID) and prepared by Tetra Tech DPK (Tt DPK), a division of ARD Inc. in Peru

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Program Name:	USAID Promoting Justice and Integrity in Public Administration Project
Sponsoring USAID Office:	USAID/Peru
Contract Number:	AID-527-C-13-00001
Contractor:	ARD Inc.
Date of Publication:	April 30, 2013

The views expressed in this publication do not necessarily reflect those of USAID or the United States Government.

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I. LIST OF ACRONYMS

APCI	Peruvian Agency for International Cooperation (<i>Agencia Peruana de Cooperación Internacional</i>)
COP	Chief of Party
COR	Contracting Officer Representative
DCOP	Deputy Chief of Party
GOP	Government of Peru
NAS	Narcotics Affairs Section
PMP	performance management plan
Tt DPK	Tetra Tech DPK
USAID	United States Agency for International Development

II. INTRODUCTION

This document is the first quarterly report on the work carried out by the USAID/Peru Pro-Integrity Project (the project), implemented by Tetra Tech ARD¹ (Tt DPK), under contract number 527-C-13-00001. The reporting period is from February 15 to March 31, 2013. The report focuses on project start-up activities.

III. PROJECT OBJECTIVES AND EXPECTED RESULTS

The project aims to support the efforts of the Government of Peru (GOP) to reduce corruption and strengthen the rule of law. It aims to achieve this through interventions closely aligned with existing Peruvian justice reform initiatives, in coordination with the activities of other international cooperation agencies. These interventions are based on previous activities of USAID and the international donor community aimed at strengthening the rule of law and reducing corruption in Peru.

The project's three main objectives are as follows:

1. Strengthen the capacity of the judicial system to resolve corruption cases in Lima and Callao and judicial districts in the Peruvian Amazon Region.
2. Strengthen the capacity of the judicial branch to address internal corruption.
3. Strengthen the capacity of the judicial system to address corruption through effective engagement with civil society.

IV. EXECUTIVE SUMMARY

During the reporting period, the main focuses of the Pro-Integrity Project (the project) were on the implementation of administrative and technical activities needed to start operations, and on internal and inter-institutional coordination.

Administrative activities included the lease of temporary and long-term offices and hiring long-term personnel. The staff were introduced to the technical scope of the project and their responsibilities within the project's framework, and were trained on operating systems and administrative procedures required by the project, Tt DPK, and USAID.

Technical and coordination activities included several meetings between the Chief of Party (COP), Deputy Chief of Party (DCOP), USAID, and representatives of beneficiary institutions, and internal meetings for strategic and operational planning.

¹ Tetra Tech DPK is a division of Tetra Tech ARD, and will be the main point of contact for all matters relating to this contract.

V. ADMINISTRATIVE START-UP

During this period, the following activities were carried out:

5.1 Hiring Long-Term Personnel

During the reporting period, the project hired almost all the key long-term personnel required. Starting dates have been agreed for all staff, in accordance with Peruvian law. Graph I illustrates the project's organizational structure and names key staff and their areas of responsibility.

Graph I: Pro-Integrity Project Organizational Chart

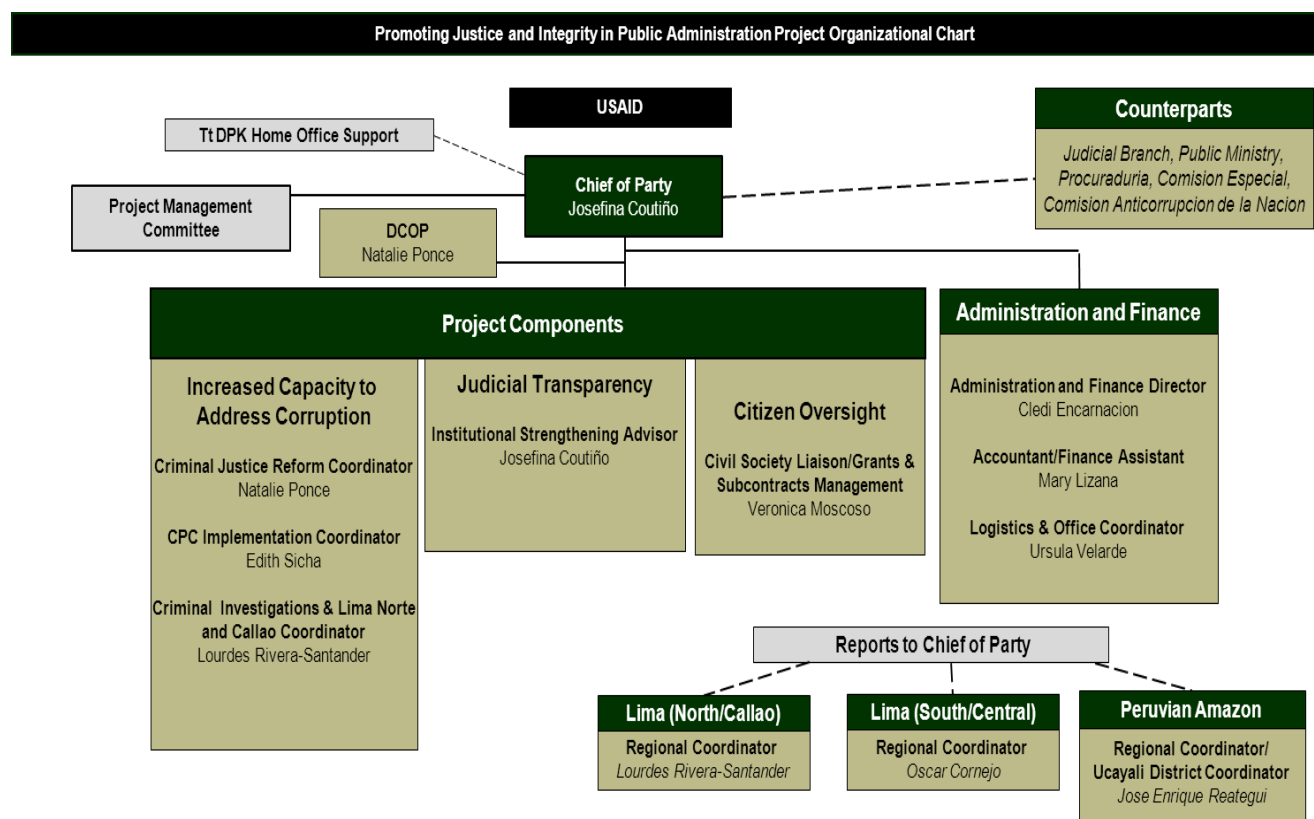


Table I – Status of Personnel Hiring

No.	Name	Start Date	Comment and Justification
1	Josefina Coutiño	February 22, 2013	COP arrival to Lima, Perú
2	Cledi Encarnacion	March 11, 2013	Currently has a services agreement. Once the social scope of the current ARD Inc. registration is modified and approved by "Registros Públicos," the Project will issue with a 5th category type of contract including all the benefits that the local law requires.

3	Verónica Moscoso	February 20, 2013	Currently has a services agreement. Once the social scope of the current ARD Inc. registration is modified and approved by “Registros Públicos,” the Project will issue with a 5th category type of contract including all the benefits that the local law requires.
4	Nataly Ponce	March 11, 2013	She is currently working and participating actively in Project activities. Once the salary range for the DCOP position is approved, the Project will issue a consultant contract. When the social scope of the current ARD Inc. registration is modified and approved by “Registros Públicos,” the Project will issue with a 5th category type of contract including all the benefits that the local law requires.
5	Lourdes Rivera	Will sign a contract once the salary matrix is approved by USAID. She needs to resign from her current employment and give at least 2-weeks notice	Once the social scope of the current ARD Inc. registration is modified and approved by “Registros Públicos,” the Project will issue with a 5th category type of contract including all the benefits that the local law requires.
6	Jose Reátegui	April 15, 2013	Has accepted a consultant contract with the salary rate that was originally approved in the Budget submitted to USAID. Once USAID approves the salary matrix, the salary rate will be adjusted accordingly. Once the social scope of the current ARD Inc. registration is modified and approved by “Registros Públicos,” the Project will issue with a 5th category type of contract including all the benefits that the local law requires.
7	Oscar Cornejo	March 27, 2013	Has accepted a consultant contract with the salary rate that was originally approved in the Budget submitted to USAID. Once USAID approves the salary matrix, the salary rate will be adjusted accordingly. Once the social scope of the current ARD Inc. registration is modified and approved by “Registros Públicos,” the Project will issue with a 5th category type of contract including all the benefits that the local law requires.
8	Edith Sicha	Will sign a contract once the salary matrix is approved by USAID. She needs to resign from her current employment and give at least 4-weeks notice	The position of CPC Implementation Coordinator is considered “Key Personnel,” and therefore the Project cannot proceed with any contracting mechanism until the salary scale is approved by USAID.
9	Úrsula Velarde	Has a services agreement	Office Logistics and Procurement Coordinator
10	Mary Lizana	Will sign a services agreement once the salary matrix is approved by USAID.	Once the social scope of the current ARD Inc. registration is modified and approved by “Registros Públicos,” the Project will issue with a 5th category type of contract including all the benefits that the local law requires.

5.2 Project Registration

The project has started the process of registering with appropriate GOP institutions. Documents required by the GOP were developed and submitted, including the following:

- **Logical Framework:** The project's logical framework was sent to USAID to permit registration of the project with the Peruvian Agency for International Cooperation (*Agencia Peruana de Cooperación Internacional*) (APCI).
- **Minute of the Home Office Directors' Agreement:** This noted the decision by the Home Office Directors to implement the project through Tetra Tech ARD's existing Peruvian subsidiary (ARD Inc. Sucursal Peru), which is implementing the Strengthening of the Decentralization Process and Selected Sub-National Governments in Peru (PRODES) project; the subsidiary will need to broaden its current social objective to allow for this.

5.3 Location and Lease of Project Office

A transparent procurement process was carried out to identify suitable office facilities for the project. The project identified an office conveniently located close to the American Embassy. The address of this office is Calle Los Tulipanes 147, office 602, Surco, Lima. However, this office will not be ready until the first week of May and so it was necessary to locate temporary office space to start implementing activities.

For these purposes, the project also conducted an open and transparent procurement process for renting temporary office space. The best proposal received was that of Gambell S.A., which offered comfortable, safe, and functional office space for eight to ten people. The office has been leased for a month, from April 8 to May 7, 2013, after which the staff will move to offices leased for the duration of the project.

VI. TECHNICAL START-UP

6.1 Work Meetings

5.1.1 Meetings at USAID

1. **Partners Meeting:** On February 28, 2013, COP Josefina Coutiño attended a meeting called by USAID for its partners. During the meeting, USAID Mission Director Deborah Kennedy-Iraheta brought to the partners' attention the new USAID/Peru strategy, which has the following components:
 - a. Development Objective 1: Increase alternatives to illicit coca plantations in selected regions.
 - b. Development Objective 2: Improve management and quality of public services in the Amazon Basin. (The Pro-Integrity Project is under this Objective.)
 - c. Development Objective 3: Manage in a sustainable manner the natural resources in the Amazon Basin and high Andean Glaciers.

The Mission Director stressed the need for coordination among USAID-funded projects, and for projects to follow the new USAID/Peru policies, such as gender equality. The project will have to ensure it complies with these directives in its implementation strategy.

2. **Post-award Conference:** The post-award conference was held on March 6, 2013, at the USAID Mission premises in Lima, Peru. It was chaired by Mr. G. Michael Junge, USAID Contracting Officer, who was accompanied by Mrs. Liliana Murguía, Acquisitions (A&A) Specialist, Ms. Cara Thanassi, Director of the Democratic

Initiative Office (ODI), Martin Castro, Contracting Officer Representative (COR), and Mrs. Cecilia Velazco, Administrative Assistant of the ODI. Tt DPK was represented by Mr. Robert W. Page Jr., Tt DPK Director, and members of the project's technical and administrative staff. The following topics were addressed:

- a. Relationship with the Contracting Office at USAID/Peru.
- b. Relationship with counterparts, highlighting the importance of coordinating any meeting with high-level authorities from the justice sector with the US Embassy and the USAID Mission.
- c. Contract management, which is to be handled directly with the Contracting Office at USAID.

3. Meeting on Technical Coordination: On March 13, 2013, the project start-up staff attended a meeting at the USAID offices with Mission representatives from the areas of communications (Ms. Magnolia Vía), training (Mrs. Rosa María Chávez), monitoring and evaluation (Ms. Miriam Choy), and finance (Mr. Víctor Llajaruna).

- a. Training: Mrs. Rosa María Chávez informed those present about USAID regulations 252 (Visa Compliance for Exchange Visitors) and 253 (Participant Training for Capacity Development), and the requirement for the project to adhere to these. She highlighted that requests by the project for training abroad would require about four weeks to process, and that participants would need an Exchange Visitor (J) non-immigrant visa if the training is in the US. The project must also request a special exemption to the Embassy through the project's assigned COR if there is the need to train police officers.
- b. Monitoring and evaluation: Discussion centered around the need to measure impact of project activities on improving gender equality and reducing gender-based violence.
- c. Finance: Mr. Victor Llajaruna emphasized the following:
 - i. Periodic visits will be paid to the project for financial reviews.
 - ii. The project is required to register with the APCI.
 - iii. The project must submit an annual report in order to recover VAT.
 - iv. Everything related to subcontract awards among other financial reporting and invoicing issues.

4. Meeting to review the project's Annual Work Plan: The meeting was chaired by Ms. Cara Thanassi, Deputy Chief of the Democratic Initiatives office at USAID/Peru, and attended by Martin Castro (USAID COR), and project's technical staff. Initial observations on the Annual Work Plan were discussed and incorporated in the document. It was agreed that Mr. Castro and the project's COP will coordinate visits to counterparts to present the Annual Work Plan.

5. Meeting with the Narcotics Affairs Section (NAS) Program: On March 26, 2013, the COP met with Mr. Raul Calligos, Director for the American Bar Association (ABA) Roli-Peru, which implements the NAS project in Peru. The participants discussed elements of the two projects related to the implementation of the Criminal Procedures Code in Peru, and agreed to coordinate support actions in common areas such as training and communications.

6.1.2 Criminal Justice Group - Donor Coordination Meeting

On March 15, 2013, the COP attended a meeting of international agencies working on projects related to criminal justice, which had been called by the World Bank. At the meeting, Dr. Carlos Zoe Vasquez, Technical Secretary to the Special Commission for the Implementation of the Criminal Procedures Code, presented his key areas of interest, which are as follows:

- a. Training
- b. Evaluation of the implementation of the Criminal Procedures Code
- c. Dissemination.

6.1.3 Coordination Meetings with National Counterparts

Meeting with representatives of the Judicial Branch: On March 8, 2013, a meeting was held with the Judicial Branch in order to present to the scope and start-up activities of the project. The meeting was chaired by USAID Director, Mrs. Deborah Kennedy-Iraheta, and attended by Cara Thanassi and Martin Castro of USAID, the project COP, Representative Alejandro Santo, and María Antonieta Delgado and Vivian Weiner from the International Cooperation Office of the Judicial Branch. The President of the Judicial Branch, Dr. Enrique Mendoza Ramirez, apologized for not being able to attend as a result of urgent matters related to his position. The participants agreed that the project would present its Annual Work Plan to a technical team from the Judicial Branch in the week of April 3, 2013.

5.2 Base-Line Study

During the reporting period, the project team implemented administrative and technical activities focused on the elaboration of the baseline study. The project subcontracted the Graduate School of Business (Universidad ESAN), Lima, Peru, to conduct this specific activity.

The COP, DCOP, and other members of the project team, together with the USAID COR, held coordination meetings with the ESAN team to plan and design the baseline study. Key project documents were discussed, including the Annual Work Plan and the monitoring indicators submitted to USAID, and the objectives of the baseline study were explained. The ESAN team presented the instruments it had designed for the collection of information; these were discussed, and recommendations were made for their improvement.

The initial work plan proposed by ESAN for the baseline study is shown in Table 1; the plan is currently being reviewed by project staff. ESAN will work on the Lima, Lima Norte, Lima Sur and Callao districts. The project will be in charge of the target districts in the Amazon region.

Table 2: Methodology, Program and Plan for the Base Line

Table 1: Methodology, Program, and Plan for the Baseline Study (currently under review)	
1.	Preparation of tools for the initial workshop
2.	Workshop on mapping of actors and collection of relevant information
3.	Information processing
4.	Design of tools

5. Workshop to validate the tools
6. Adjustments to the tools
7. Presentation of the tools to the technical team with their applications
8. Application of the tools and team work in Lima and Callao
9. Focus groups/interviews in Lima and Callao
10. Analysis and processing information from Lima and Callao
11. Presentation of the preliminary report on results from Lima and Callao to the project
12. Presentation of the preliminary report on results from the Amazonas to the project (collection done by the Project)
13. Review and adjustments to the preliminary report
14. Presentation of the final report on results from Lima and Callao
15. Presentation of the final report on results from the Amazonas
16. Consolidation of the report on results from Lima, Callao, and Amazonas
17. Presentation of the report with consolidated results to the project team
18. Presentation of the final baseline report to USAID by the project
19. Presentation of the final baseline report to national counterparts

6.3 Work Team Technical Planning Activities

During the reporting period, the project's technical team held a number of internal meetings, led by the COP, aimed at building an integrated team and planning and developing strategies and structures to meet each of the project's objectives.

Participants disaggregated each of the project's objectives into smaller, more-specific projects, and elaborated specific objectives and links among the activities.

Photo 1: Pro-Integrity Team Planning Project Activities



Operative Project Planning through work structures

6.3.1 *Operational Project Planning through Work Structures*

This methodology was used to develop a comprehensive and systematic approach to the three main objectives of the project. This will be implemented through working structures elaborated with the participation of the technical team. These are detailed below.

Objective 1: Strengthen the capacity of the judicial system to resolve corruption cases in Lima and Callao and judicial districts in the Peruvian Amazon Region

Work Structure for Objective 1



Objective 2: Increase the capacity of the judicial branch to address internal corruption

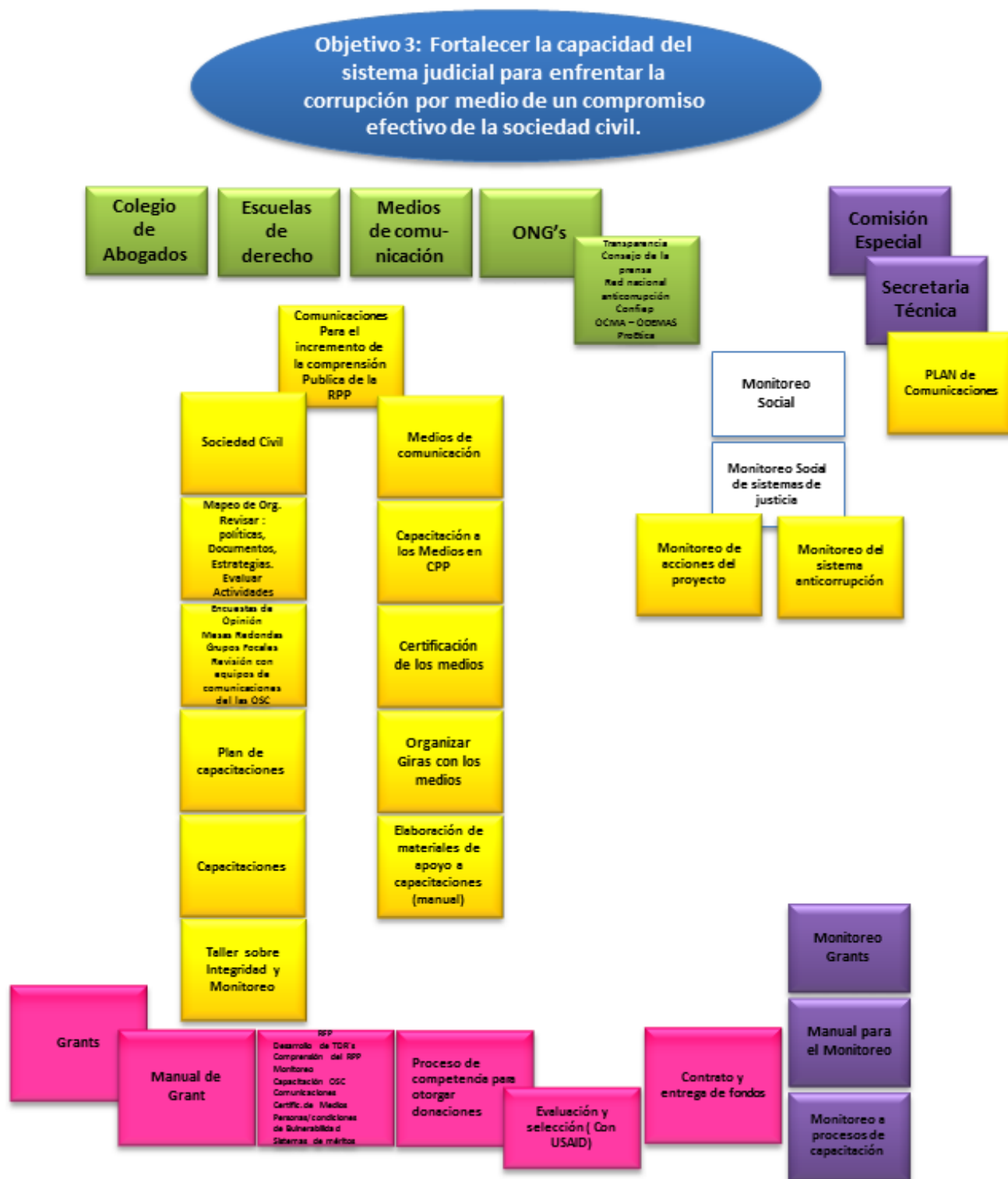
Initial activities focused on introducing the project team to the Institutional Integrity Model™. The model will be explained to national counterparts in the next quarter.

Work Structure for Objective 2



Objective 3: Strengthen the capacity of the judicial system to address corruption through effective engagement with civil society

Work Structure for Objective 3



6.4 Monitoring and Evaluation Plan

The draft Monitoring and Evaluation Plan was submitted to USAID on April 1, 2013. The final version, incorporating the COR's observations and data extracted from the analysis of baseline data, will be submitted next quarter.

Meetings of the project team have stressed the importance of monitoring to ensure delivery against objectives. The team has identified indicators that allow it to monitor the implementation of project activities and progress towards achievement of project goals.

VII. RELEVANT ELEMENTS OF THE NATIONAL CONTEXT OF THE PERUVIAN JUSTICE SYSTEM

During the reporting period, the project confirmed that the process of implementation of the Criminal Procedures Code in 2013 has been modified, and as a result, a new calendar of implementation was drafted and will be implemented in 2014. As a consequence, the project has focused on technical and financial planning for activities that support reform of the criminal procedures. The project's objectives aim at strengthening the capacity of the reformed criminal justice system, specifically the application of the new Criminal Procedures Code to cases of corruption. Thus, the project can contribute to highlighting the importance of continuing with reform of the criminal procedures as a mechanism to give citizens access to a more transparent, efficient justice system.

The project also learned of a draft law aimed at modifying the Criminal Procedures Code² that has been submitted by the Executive Branch to the Congress of the Republic. This draft law has been publicized by the Presidency of the Council of Ministers as a mechanism to strengthen the legal rights of citizens. The proposed legal modifications include the expansion of longer legal deadlines for the investigative stage and the active participation of the police in gathering evidence. The project will monitor progress of this draft law through the legislature, because if these changes come into effect they could affect some of the planned activities of the project, especially those related to the review and redesign of management processes at the Prosecutor Offices and Courts that are applying the Criminal Procedures Code in corruption cases.

The project has also noted a judicial case that has had a major impact throughout the local legal community. This case relates to a court order for the withdrawal of police forces and municipal control from an area in La Victoria district, Lima. Until a few months ago, this area was home to the most important wholesale market for food in Lima. The court decision triggered considerable concern among the population of Lima and generated local debate about judicial independence and affected the reputation of the justice system among the public.

² <http://www.pcm.gob.pe/noticias/ejecutivo-presenta-proyecto-de-reforma-del-codigo-procesal-penal/>

VIII. PRODUCTS AND DELIVERABLES

Project Deliverables Summary & Tracking Sheet						
Peru Promoting Justice and Integrity in Public Administration – Pro-Integrity Project Contract No.: AID-527-C-13-00001						
QUARTERS 1 AND 2	CONTRACT REFERENCE	February 2013 – June 2013				
		Feb- 2013	Mar- 2013	Apr- 2013	May- 2013	Jun- 2013
Initial Annual Work Plan	F.6(A)(a)		3/18			
Integrated Gender Strategy	C.3 (page C.10)				5/17	
Disabilities Integration Strategy	C.3 (page C.10)		3/18			
Performance Monitoring Plan (PMP)	F.6(B)			4/1		
Quarterly Progress/Financial Reports	F.6(C) & (D)			4/30		

XI. QUARTERLY FINANCIAL REPORT

Project Line Items	Approved Budget to Date	Total Expenses for the Quarter	Total Expenses to Date	Balance Remaining
CLIN 001 – Strengthen the capacity of the judicial system to resolve corruption cases in Lima and Callao and judicial districts in the Peruvian Amazon Region	\$2,876,841	\$32,659	\$32,659	\$2,844,182
CLIN 002 – Strengthen the capacity of the judicial branch to address internal corruption	\$375,697	\$4,665	\$4,665	\$371,032
CLIN 003 – Strengthen the capacity of the judicial system to address corruption through effective engagement with civil society	\$971,863	\$9,331	\$9,331	\$962,532
CLIN 004 - Fixed fee	\$240,505	\$0	\$0	\$240,505
General and administrative costs for all CLINs	Resulting from each CLIN and combined into just one line item	\$14,258	\$14,258	(\$14,258)
Total costs	\$4,464,906	\$60,914	\$60,914	\$4,403,992

X. RESUMEN DE ACTIVIDADES PLANEADAS PARA EL TRIMESTRE QUE CUBRE DEL I DE ABRIL AL 30 DE JUNIO DE 2013

ACTIVITY	TIMELINE	RESOURCES		EXPECTED DELIVERABLES AND OUTPUTS	Status
		Team	Counterparts		
Result 1.1: Increased capacity of judges and court staff in the targeted regions to manage and resolve corruption cases					
Activity 1: Institute efficient, timely, consistent case management systems					
Conduct meetings to coordinate project activities with Presidencia del Poder Judicial	March-April	Project Team	Secretaria Técnica del Poder Judicial Gerencia de Cooperación Técnica del Poder Judicial y Gabinete de Asesores	Blueprints for Organizational and Work Flow Management Redesign and Improvements for Corruption Cases (judges and court staff)	In progress
Detailed analysis of current case management systems and processes	April-July	Consultant, Project Team			
Activity 2: Training and implementation of case management systems to operate under the CPC generally and manage corruption cases specifically					
Conduct participatory training needs analysis for corruption cases	April-July	Consultant, Project Team, ST Expert	PM Training School, Secretaria Técnica del Poder Judicial, and Judicial Academy, Judges and Staff from corruption courts in targeted judicial districts	Analysis of participatory training requirements and training programs for judges and court staff	
Result 1.4: Increased institutional support from the judiciary for judges and courts to implement the CPC					
(i) The Judiciary effectively monitors and evaluates the implementation of the CPC					
Activity 1: Establish goals and standards in basic areas where judicial performance can be measured outside the appellate process					
Analysis of current monitoring and evaluation systems and procedures regarding the implementation of the CPC as it relates to corruption cases	March-April	Consultant, Project Team	Secretaria Técnica del Poder Judicial, Secretaria Técnica de la Comisión Especial	Judiciary CPC M&E systems analysis conducted and published	
Result 1.5: Increased capacity of the Special Commission to coordinate and lead the CPC implementation					
(i) Improve M&E of CPC implementation by the Special Commission					
Activity 1: Improve M&E capacity of Special Commission					
Based on the needs and gaps collected during the Baseline Study, support the development of a participatory action plan for CPC implementation related to corruption cases	May	Project Team, ST Prosecutorial Expert, Dr. Antonio Maldonado	Secretaria Técnica de la Comisión Especial	Strategic plan for CPC Implementation and associated monitoring of the plan's achievement	
Provide technical assistance to operationalize the above action plan	May and ongoing through Years 2 and 3	Project Team, ST Prosecutorial Expert, Dr. Antonio Maldonado			
Organize roundtables to improve inter-institutional coordination for corruption cases	May and ongoing through Years 2 and 3	Project Team	Secretaria Técnica de la Comisión Especial,	Enhanced implementation of the Modelo Corporativo	

ACTIVITY	TIMELINE	RESOURCES		EXPECTED DELIVERABLES AND OUTPUTS	Status
		Team	Counterparts		
			Secretaria Técnica del Poder Judicial, PM, OCMA, staff from corruption courts in targeted districts	Improved inter-institutional coordination Increased prosecution of corruption cases Increased transparency	
Support formalization of the evaluation process for corruption cases	May and ongoing through Years 2 and 3	Project Team		Enhanced management of the CPC and associated resources	